

28 October 2021

Mr David Fredericks PSM  
Secretary  
Department of Industry, Science, Energy and Resources  
GPO Box 2013  
Canberra, ACT 2601

Dear Mr Fredericks PSM

**Re: Junior Minerals Exploration Incentive 2018/19 Annual Impact Assessment**

The South Australian Chamber of Mines and Energy (SACOME) welcomes the opportunity to make this submission to the Department of Industry, Science, Energy and Resources (DISER) Junior Minerals Exploration Incentive (JMEI) 2018/19 Annual Impact Assessment (the Survey).

SACOME is the peak industry body representing companies with interest in the South Australian minerals, energy, extractive, oil and gas sectors and associated service providers.

SACOME recognises the Survey aims to assess whether the 2018/19 JMEI funding round generated additional exploration or prospecting activity.

SACOME submits that the mining exploration to production cycle is a long-term investment and it is difficult to quantify the 2018/19 JMEI funding round impacts in the context of a project development timeframe.

SACOME reiterates its support for the JMEI scheme. Exploration incentives are critical in supporting the discovery of new deposits and ensuring a continuing pipeline of resources sector projects.

Previously, SACOME has been part of a joint industry association call for the JMEI to be made a permanent initiative of the Federal Budget<sup>1</sup>. The extension of the JMEI scheme until 30 June 2025 provides resources sector operators with increased certainty to raise capital in the future.

SACOME has consulted with member companies and provides the following comments in response to the Survey questions:

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<sup>1</sup> [Joint Industry Association JMEI Submission](#)

*1. To what extent did the 2018/19 JMEI generate additional expenditure or prospecting activity?*

SACOME member companies have commented it is difficult to quantify the impact of the JMEI tax credits on generating additional exploration or prospecting activity.

Since 2018/19, however, JMEI funding rounds have been oversubscribed indicating the value of the scheme to operators seeking to attract investment for greenfield mineral exploration.

*2. Apart from the data presented, what other evidence is available to assess the impact of the 2018-19 JMEI on exploration or prospecting activity?*

SACOME member companies have provided positive anecdotal evidence regarding the impact of the 2018/19 JMEI funding round on exploration and prospecting activity.

SACOME member companies who have been successful in applying for JMEI funding advise that it has assisted in raising capital for exploration activities and operated as an investment attraction tool.

SACOME member companies have previously raised that the JMEI scheme may incentivise capital raising over exploration activity; and the first-in, first-served approach, potentially rules out projects that may have more merit from a discovery perspective. This may be an area where iterative improvement can be made.<sup>2</sup>

SACOME thanks DISER for the opportunity to provide feedback to the Survey and remains committed to ongoing dialogue with DISER in relation to these matters.

Kind regards



Rebecca Knol  
Chief Executive Officer

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<sup>2</sup> [SACOME JMEI Review Submission](#)